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WC 06-117

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May 31, 2006

**VIA MELLON BANK**

Federal Communications Commission  
Wireline Competition Bureau - CPD - 214 Appls.  
c/o Mellon Bank  
P.O. Box 358145  
Pittsburgh, PA 15251-5145

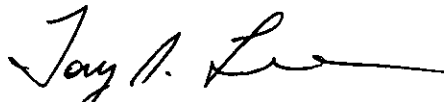
Re: **Gorham Telephone Company, Inc., and  
Rural Telephone Service Company, Inc.**  
Domestic Section 214 Application for Streamlined Approval of a  
Transfer of Control

To Whom It May Concern:

Transmitted herewith are an original and four (4) copies of a domestic Section 214 application for streamlined approval of a transfer of control pursuant to Sections 63.03 and 63.04 of the Commission's rules, 47 C.F.R. § 63.03 and 63.04. As further detailed in the application, the companies seek streamlined processing to effectuate the sale two telephone exchanges from Rural Telephone Service Company, Inc., to Gorham Telephone Company, Inc. A check in the amount of \$895.00 is enclosed to cover the requisite filing fee.

Please date-stamp and return the extra copy of this filing, which is included for this purpose. Should you have any questions with respect to this matter, please do not hesitate to contact the undersigned at (202) 857-1707.

Respectfully submitted,



James U. Troup  
Tony S. Lee

Counsel for Rural Telephone Service Company, Inc.

Enclosures

cc: David Cosson

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC 20554**

In the Matter of )  
 )  
Gorham Telephone Company, Inc. )  
 )  
and )  
 )  
Rural Telephone Service Company, Inc. )  
 )  
Application for Authorization Pursuant to )  
Section 214 of the Communications Act of 1934, )  
as Amended, for Transfer of Control )

WC Doc. No. \_\_\_\_\_

**APPLICATION FOR TRANSFER OF CONTROL**

Gorham Telephone Company, Inc. ("Gorham" or "Transferee") and Rural Telephone Service, Inc. ("RuralTel" or "Transferor") (collectively Gorham and RuralTel are the "Applicants"), by their undersigned counsel, and pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214 (the "Act"), and Section 63.04 of the rules of the Federal Communications Commission ("FCC" or the "Commission"), 47 C.F.R. § 63.04, hereby request authority to transfer control of RuralTel's Luray and Paradise exchanges ("the Exchanges") to Gorham. As described in this Application, Applicants have entered into an agreement pursuant to which Gorham will acquire all of the assets of the transferred exchanges from RuralTel.

Following the Transaction, customers in the transferred exchanges will receive service from Gorham.

Pursuant to Section 63.04(a) of the Commission's rules, the Applicants provide the following information in support of this transaction:

**(1) Applicants' Name, Address and Telephone Number**

**Transferors:** Rural Telephone Service Company, Inc.  
P.O. Box 158  
145 N. Main  
Lenore, KS 67645  
**Telephone:** 785 567 4281  
**Facsimile:** 785 567 4401

**Transferee:** Gorham Telephone Company, Inc.  
P.O. Box 235  
105 Market St.  
Gorham, KS 67640  
**Telephone:** 785 637 5300  
**Facsimile:** 785 637 5590

**(2) State of Organization**

- (a) RuralTel is a Kansas corporation
- (b) Gorham is a Kansas corporation.

**(3) Contact Information**

All correspondence, notices and inquiries regarding this transaction should be addressed to:

**Transferor:** Larry Sevier  
Chief Executive Officer  
Rural Telephone Service Company, Inc.  
P.O. Box 158  
145 North Main  
Lenore, KS 67645  
**Telephone:** 785 567 4281  
**Facsimile:** 785 567 4401

**Transferee:** Michael J. Murphy  
Chief Executive Officer  
Gorham Telephone Company, Inc.  
P.O. Box 235  
105 Market St.  
Gorham, KS 67640  
**Telephone:** 785 637 5300  
**Facsimile:** 785 637 5590

**Copies of all correspondence, notices, and inquiries should also be addressed to:**

James U. Troup  
*McGuireWoods LLP*  
1050 Connecticut Ave., N.W.  
Suite 1200  
Washington, D.C. 20036  
Telephone: 202 857 1700  
Facsimile: 202 857 1737

David Cosson  
2154 Wisconsin Ave., N.W.  
Washington, DC 20037  
Telephone: 202 333 5275  
Facsimile: 202 333 5274

**(4) Ten Percent (10%) Equity Shareholders:**

**TRANSFEROR:**

RuralTel is a cooperative; no person has a ten percent or more interest in the equity.

**TRANSFeree:**

Michael J. Murphy  
85 West Street  
Gorham, KS 67640  
Principal Business: Telecommunications  
Citizenship: United States  
Ownership: 50%

Tonya Murphy  
85 West Street  
Gorham, KS 67640  
Principal Business: Telecommunications  
Citizenship: United States  
Ownership: 50%

**(5) Certification Pursuant to Rules 1.2001-1.2003**

Applicants certify, pursuant to 47 C.F.R. §§ 1.2001-1.2003, that to the best of their knowledge, information, and belief, no party to the Application is subject to denial of federal

benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.

Certifications are attached as Exhibit A.

**(6) Description of the Transaction**

Gorham will purchase from RuralTel all of the assets of the transferred exchanges. This transaction involves two of the exchanges and approximately 272 access lines which are included in RuralTel's pending purchase from United Telephone Company of Kansas.<sup>1</sup> Upon successful consummation of the Transaction, local exchange and exchange access service will continue to be provided to current subscribers in the exchanges.

**(7) Geographic Description**

The exchanges are located in northwest Kansas.

**(8) Streamlined Treatment**

The transaction "involves only the transfer of the local exchange assets of an incumbent LEC by means other than an acquisition of control" and is therefore presumptively qualified for streamlined treatment under Section 63.03(b)(1)(iii). The associated request for waivers of the definition of study area and of Section 63.3(e)(11) should be considered routine in that they raise no issues not fully within existing Commission precedent. Applicants therefore request streamlined treatment of this Application.

With respect to Section 63.03(b)(2), at the close of the Transaction Gorham will have a less than 10% share of the interstate, interexchange market. With respect to Section 63.03(b)(2)(iii), the applicants have fewer than two (2) percent of the nation's subscriber lines and there are no overlapping service areas, however the applicants do have adjacent exchanges.

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<sup>1</sup> Pending before the Commission are the Transfer of Control and Study Area Waiver Petitions regarding this transaction. See DA 06-941, rel. Apr. 27, 2006.

**(9) Other Related Applications Before the Commission**

None, other than the study area waiver described above.

**(10) Statement of Imminent Business Failure**

Not applicable.

**(11) Separately Filed Waiver Requests**

None

**(12) Public Interest Statement**

Grant of the instant Application will serve the public interest because it will result in the efficient provision of high-quality telecommunications services to rural customers, and it will result in direct benefits to customers in the exchanges. Gorham Telephone intends to make several improvements to the facilities serving the exchanges, including the installation of fiber and/or DSL technology throughout. These improvements will enhance the redundancy and reliability of the network, as well as extend high-speed digital transmission capabilities, which are currently unavailable in the Paradise and Luray exchanges.<sup>2</sup> Gorham Telephone will continue the provision of excellent service quality and customer service to subscribers within the exchanges it intends to purchase and it will provide such service at affordable and competitive prices.

The transaction will not have an adverse impact on competition. There are two CLECs that are authorized to provide local exchange service in the Paradise and Luray exchanges. Furthermore, alternative providers are aggressively seeking to replace traditional landline services with those based on wireless technology or voice over Internet protocol. Several

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<sup>2</sup> The Paradise and Luray exchanges being transferred to Gorham are currently held by United Telephone Company of Kansas. As noted above, n.1, supra, the exchanges are the subject of Transfer of Control and Study Area Waiver Petitions pending before the FCC.

carriers, including USCOC of Nebraska/Kansas LLC, and RCC Minnesota, Inc., have been designated as eligible telecommunications carriers in the Paradise and Luray exchanges. The acquisition by Gorham Telephone will not have an adverse impact on competition as providers such as those discussed above can offer alternatives to the service offered by the incumbent.


Gorham Telephone's management team will endeavor to ensure that customers continue to receive the high-quality services they are accustomed to receiving, and they will seek to bring innovative and technologically advanced services to subscribers as market conditions warrant. Accordingly, grant of the instant Application is in the public interest, and should be granted.

**Conclusion.**


For the foregoing reasons, Applicants respectfully request that the Commission promptly grant this Application.

Respectfully submitted,

By:

  
David Cosson  
2154 Wisconsin Ave., N.W.  
Washington, DC 20007

Counsel for Gorham Telephone Company, Inc.

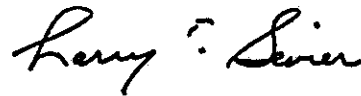
  
James B. Troup  
Tony S. Lee  
McGuireWoods LLP  
1050 Connecticut Ave., N.W.; Suite 1200  
Washington, D.C. 20036

Counsel for Rural Telephone  
Service Company, Inc.

Date: May 31, 2006

**CERTIFICATION ON BEHALF OF**  
**RURAL TELEPHONE SERVICE COMPANY, INC.**

I, Larry Sevier, hereby certify under penalty of perjury that I am authorized to make this certification on behalf of Rural Telephone Service Company, Inc., that I have read the foregoing document and know the contents thereof; and that the same are true of my own knowledge, except to those matters therein stated upon information and belief, and as to those matters I believe them to be true.



\_\_\_\_\_  
Mr. Larry Sevier  
Chief Executive Officer  
Rural Telephone Service Company, Inc.

May 30, 2006

\_\_\_\_\_  
Date